



Douglas County Internal Audit

June 20, 2012

Douglas County Board of Commissioners
1819 Farnam Street, Suite LC2
Omaha, NE 68183

Attention: Marc Kraft, Mary Ann Borgeson, Clare Duda, Mike Boyle, PJ Morgan,
Chris Rodgers and Pam Tusa

John Ewing, Douglas County Treasurer
1819 Farnam St, H-02
Omaha, NE 68183

Dear Commissioners and Mr. Ewing:

I have completed an audit of Douglas County motor vehicle tax and fee process controls. The purpose of the audit was to assess the adequacy and effectiveness of the control processes used to assess and collect taxes and fees related to recording vehicle titles and registrations. The audit revealed that controls were adequately designed and worked effectively for the processes tested. Details related to the testing appear below.

Background

As part of the fiscal year audit plan, Douglas County Internal Audit performs internal control testing for the Douglas County external audit firm, Hayes and Associates, LLC. The external auditor uses the test data provided by Internal Audit to formulate a professional opinion about the County's year-end financial statements. Below are the details related to tests of the controls to levy and collect motor vehicle taxes and fees.

Objectives

The objectives of the audit were to ensure that:

- Assessed values and related tax levies and fees were properly approved and authorized.
- Revenues for motor vehicle taxes were valued properly and recorded completely and accurately in the proper period.
- Cash collected for the taxes and fees were posted completely and accurately in the proper period.

Scope and Methodology

In order to determine that the objectives were being met a sample of twenty-five registrations were tested by selecting five registrations from each of five days chosen randomly. The taxes and fees were recalculated based upon Nebraska Department of Motor Vehicle schedules and traced through the system to see that revenue was posted and cash collected. The total motor vehicle property taxes generated for each of the five days was traced through various reports and balancing controls to verify that all of the cash for the taxes was subsequently recorded and collected.

Findings

There were no issues identified.

Audit Standards

Internal Audit conducted this audit in accordance with generally accepted government auditing standards. Those standards require that the audit is planned and performed to obtain sufficient, appropriate evidence to provide a reasonable basis for the findings and conclusions based on the audit objectives. Internal Audit believes that the evidence obtained provides a reasonable basis for its findings and conclusions based on the audit objectives.

Internal Audit has reviewed this information with the Douglas County Treasurer. Internal Audit appreciates the excellent cooperation provided by management and staff. If you have any questions or wish to discuss the information presented in this report, please contact Mike Dwornicki at (402) 444-4327.

Sincerely,

Mike Dwornicki
Internal Audit Director

cc: Paul Tomoser
Joni Davis
Trent Demulling
Donald Stephens
Kathleen Kelley
Joe Lorenz
Patrick Bloomingdale
Thomas Cavanaugh

Kathleen Hall
Tim Cavanaugh
Patricia Carter
Corrine Burnett
Mark Rhine